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Div. of Oil, Gas & Mining

S/001/0074

BLM Cedar City Field Office Site Inspection Report

April 27, 2010

File: UTU-82071, Hidden Treasure Plan of Operations
Western Utah Copper Co.

Inspector: Ed Ginouves, CCFO Mining Engineer

Insp.Date: April 26, 2010

On April 26, 2010, I visited Western Utah Copper Co.'s (WUCC) Hidden Treasure plan of operations area together with the larger Milford Copper Project (DOGM file M/001/059) large mine permit area, of which it is a part of. All operations in the permit area have been idled since early April, as the company's cash resources are very limited. The principal purpose of my visit was to confirm corner locations and boundary lines for the patented Candy C and Candy B claims. A small crushing operation had previously been permitted through the DOGM (S/001/0074) on the overburden dump area of the Maria Pit; with most of the material being used to armor the principal access road associated with the Milford Copper Project. Portions of this dump falls on the patented Candy C mining claim and the remainder falls on BLM-managed land. All of the dump material originated from the Maria Pit when it was opened in the 1970's; the pit is entirely located on BLM-managed lands. The operator of the crushing operation, Gene Henries, dba Quality Crushing, apparently had bid on supplying road base to Phase 2 of the Milford Wind Project and was contemplating re-activating the operation to supply that contract.

The previous documented inspection was made on April 7, 2010.

The weather was sunny and mild. Site conditions were dry. For reasons that aren't clear, the wind wasn't blowing.

Hidden Treasure PoO area (BLM and private land):

Mining operations remain idled since my last inspection. Part of the mining fleet was parked in the equipment staging area and the rest was at the company's truck warehouse. The south gate to the mine operations area remains closed and locked. As I had been giving a key to the gate locks, I entered the permit area through the south gate and proceeded to the general area of the Maria Pit waste dump. I had brought with me a list of pre-calculated GPS coordinates that I had derived from the mineral survey notes and the Bureau's GCDB GIS layer. I readily located all the patented claim monuments, photographed them and gathered real-time actual GPS coordinates for the corners. The real time data varied by a few meters from my pre-calculated coordinates, which was expected. The claim corners were monumented with brass capped steel pipes, with the corner numbers imprinted into the top surface of the brass caps. 4' high, 6" dia. white PVC pipe claim corner monuments were typically adjacent to these brass cap monuments, marking the corner of an unpatented mining claim adjacent to the patented claim area.

I also inspected the operations area which had formerly been active on the center of the Maria Pit waste dump. There was no gravel processing equipment on site and a small stockpile of crushed type-2 roadbase. The excavation area encompasses about three acres with perhaps another acre associated with the crusher pad and processed material stockpile area. The maximum excavation depth is about 20 feet on the south side of the excavation, with the access to the excavation ramping down from the north. The rock excavated appears to be predominately silicified carbonates /marble. There are two explosives (primer) magazine in the floor of the excavation that fed the crushing operation. There are an additional

two small magazine on the surface of the dump just east of the excavation and a semi-trailer magazine for blasting agent southeast of the excavation.

I GPS surveyed the southern arc of the excavation highwall which I believed to fall on the BLM-managed portions of the waste dump. Plotting this perimeter with the Candy C claim boundary confirmed my suspicion (see attached map). About 0.4 acres of the excavation falls south of the southern boundary line of the Candy C claim on BLM-managed land. Given an excavation depth of twenty feet within this area, about 13,000 cyds of material was removed from the BLM portions of the excavation. Most or all of this material can be attributed to surfacing of permit area roadways, which I had told the operator he could do without payment of royalty. ***If the operation is re-activated for purposes of supplying aggregate out of the permit area, it needs to be made clear to the operator that any further expansion of the pit to the south will require a material sales contract in advance of removals.***

LMO Permit Area (State and private lands):

I made a quick trip up to the mill area while on site. There I found a single employee, John Dotson, re-arranging the small stockpile of magnetite just south of the mill building with a wheeled loader. Very high winds had been forecast for the following two days associated with a cold front. John was concerned that the material would blow towards the adjacent transformer area. The transformers were humming but there had been no significant mill activity or changes since the previous inspection on April 7th.

I spoke with John for a bit and he expressed his frustration with very poor mill recovery since start-up; he clearly supports getting a new mill engineer to replace the current engineer Edgar Blanco. He and the remaining office staff have all been working without salary for the past seven weeks, as there is no cash.

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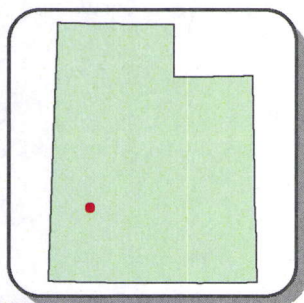


S/001/0074, Gene Henries, Maria Dump Gravel Pit
April 26, 2010

Panoramic view of southern portion of operations area, including all of the pit area located on BLM-managed land. View looking east (left) to southeast (right).

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United States Department of the Interior
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Map created on May 06, 2009



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CAUTION:
Land ownership data is derived from less accurate data than the 1:24000 scale base map. Therefore, land ownership may not be shown for parcels smaller than 40 acres, and land ownership lines may have plotting errors due to source data.

No warranty is made by the Bureau of Land Management for the use of the data for purposes not intended by the BLM.